



IBA Report 13-14

General Fund Vacancy Status

Budget & Finance Committee Meeting
March 13, 2013

Gen. Fund Vacancy Status Report



- This report contains a snapshot of vacancies (end of December) and focuses on vacancy impacts before/after that snapshot for certain Gen Fund depts.
 - Vacancies are constantly changing, and may be very different in a matter of days or weeks.
- The report also discusses vacancy savings and the process of filling classified City vacancies.
- We recommend that an updated list of vacancies be provided to Council in April, to coincide with the budget process, and then annually as an attachment to the Mid-Year Budget Monitoring Report.

Vacancy Savings



- The FY 2013 Budget includes positions authorized to be filled.
- However, not all authorized positions are funded within the budget.
- Some positions are unfunded to account for savings that routinely occur due to turnover and attrition, including leaves of absence and incidence of newly hired employees that fill vacancies at lower salaries than budgeted.

Vacancy Savings



- The unfunding of a portion of the City's positions results in vacancy savings that reduce overall budgeted salaries and wages.
- Note that in general, the smallest departments do not have a vacancy factor.
- Vacancy savings lowers the FY 2013 General Fund Budget by \$19.7 million, or 3.9% of the \$511.5 million in salaries and wages.

Vacancy Savings



- Leaving the unfunded positions in the budget keeps the authorized positions transparent.
- A department can fill unfunded positions during the year.
- Budgeting for vacancy savings is not intended to restrict hiring of authorized positions.
- However, the department must monitor hiring, salaries and wages, and all budget expenditures to keep within the department's bottom line budget.

Break-down of FTE's



FY 2013 General Fund FTE's Budgeted Hourly FTE's and Benefited Positions

Budget Change - FY12 to FY13			FY13 Adopted Budget Components	
FY 2012 Adopted Budget	FY 2013 Additions	FY 2013 Adopted Budget	FY 2013 Hourly FTE's	FY 2013 Benefited Positions
7,036.62	115.53	7,152.15	390.75	6,761.40

Break-down of FTE's



FY 2013 General Fund FTE's

Benefited and Unfunded Positions & Vacancies at December 27, 2012

FY 2013 Benefited Positions	FY 2013 Unfunded Positions *	FY 2013 % of Positions Unfunded	Vacancies at 12/27/12	Percent Vacant 12/27/12	Vacancies above Unfunded	% Vacant above Unfunded
6,761.40	343.41	5.1%	591.28	8.7%	247.87	3.7%

* Positions are budgeted but are not funded within the FY 2013 Budget.

Vacancy Contributing Factors



- A number of departments have experienced difficulties filling positions caused in part by:
 - The two month hiring freeze related to Proposition B (which ended in early October).
 - The length of time it takes to generate certified lists of eligible candidates for vacant positions.

Impacts of Vacancies



- Increased vacancies can lead to increased workloads on staff.
- Having less staff than needed can impact desired service levels and decrease response times to citizens or to “client departments” within the City.
- Vacancies can necessitate an increase in overtime as a department tries to keep service levels consistent or to acceptable minimum levels.
- Additionally, sometimes a department will increase responsibilities for staff, giving staff an “Out of Class Assignment” with some of the duties of a more senior job classification.

Vacancy Issues for Departments



- Departments with higher vacancies are Fire-Rescue, Park & Recreation, Police and Transportation & Storm Water at 32.0, 38.82, 37.5 and 41.0 more vacant positions than unfunded positions.
- The report highlights issues related to vacancies for several City departments:
 - Fire-Rescue
 - Library
 - Park & Recreation
 - Police
 - Public Works – General Services, Facilities Division
 - Transportation & Storm Water



- The high rate of vacancies is attributable to a few causes:
 - Delays in hiring new recruits – until this year, the Department has not had a fire academy since 2009.
 - The loss of Firefighter personnel to retirements - from FY 2009 to January 2013, the Department has lost 213 Firefighters to attrition.
 - The operational practice of “constant staffing,” which is accomplished by using overtime to maintain needed staffing levels, while holding positions vacant to assure spending stays within the budget allocation.

Fire-Rescue



- “Constant staffing” is the practice of maintaining four-person crews 24/7 at all fire stations by one of two alternatives: either using overtime or hiring additional personnel to cover anticipated vacancies.
- Latest study comparing the costs of these two alternatives was contained in the Fire-Rescue BPR Final report (report to Council 08-077).
- According to the BPR analysis, it was determined that achieving constant staffing utilizing overtime was more cost effective than hiring additional personnel.

Fire-Rescue



- We recommend that a new cost comparison of constant staffing alternatives should be undertaken.
- In the BPR report, the fringe cost utilized for hired positions was 73% of salary, which includes costs for pensions, health benefits, flexible benefits and retirement offset contributions.
- With the elimination of retiree health benefits and retirement offset contributions, as well as a reassessment of pension costs, the fringe rate for a new employee could be much lower than 73% of salary.



- While the Library Department's vacancy rate at the end of December is close to the budget vacancy rate for benefited positions, there have been issues with the filling of hourly positions.
- Because of delays in hiring of hourly workers in FY 2013, the restoration of branch library hours from 36 hours to 44 hours was not fully implemented until December 3, 2012.
- This was due in part to the recent hiring freeze related to Proposition B and the overall length of the hiring process.



- Additionally, recruitment and retention of hourly workers can be challenging because there are no benefits, such as flexible benefits; and work hours are not guaranteed.
- Because of the difficulties in filling hourly positions, overtime has increased to meet staffing needs.
- Currently, overtime is projected to be \$167,000, compared with the Library Department's \$58,000 budget for overtime.
- The additional overtime cost is offset with savings from the vacant hourly positions.

Park & Recreation



- Park & Rec's vacancy figure varies during the course of the year as the Department addresses maintaining service levels and adhering to the overall personnel budget.
- Park & Rec has experienced difficulties filling positions caused in part by the hiring freeze related to Proposition B, and the length of time to generate certified lists of candidates for vacant positions.

Park & Recreation



- Also, due to budget reductions and retirements over the past few years, the Department has fewer supervisors to handle the hiring process.
- Park & Recreation has been able to use hourly staff to mitigate some of the impacts to service levels.
- Overall, the Department reports that it has not had to decrease service levels due to these vacancies.

Police



- The Police Department began FY 2013 with an accumulated sworn staffing deficit of 138 positions – 11 more than the 127 unfunded sworn positions in the budget.
- Since then, an additional 79 officers have departed, with the current average attrition being nine per month.
- Some months have had higher attrition rates. For example, for the four weeks ending December 31, 2012, there were 33 departures.

Police



- Although the current attrition rate is nine officers per month, the Department has estimated the attrition rate to be more in the range of seven or eight per month by the end of the fiscal year.
- Offsetting the departures during the year are incoming officers, largely hired through the Police Academy.
- In FY 2013, the Police Department is budgeted to hold four 30-recruit police academies.



- The Department's ability to increase sworn staffing levels is constrained by the Department's budgeted vacancy savings.
- In the case of the Police Department, holding positions vacant in order to maintain vacancy savings has limited the ability to hire additional sworn positions.
- With only 1.5 unfunded civilian positions, civilian staffing is fully funded.
 - As of December 27, 2012, the department had 54 civilian vacancies out of 504.75 budgeted positions.

Police



- The Mid-Year Budget Monitoring Report shows \$1.9 million and \$2.7 million in over-budget overtime and pay-in-lieu of annual leave expenditures, respectively – largely offset with vacancy savings.
- With projected deficit spending for the entire Police Department budget, even if the Department did not have difficulties regarding turnover and the lengthy recruitment process, it would be difficult to substantially increase the hiring pace without a budget increase or reduction in other spending.

Facilities



- Budget reductions and ongoing vacancies have affected Facilities' ability to efficiently respond to repair and maintenance requests, or work orders.
- The Division reports the hiring process generally has taken six months or more.
- To address staffing and resource shortages and related operational issues, Public Works-General Services has developed a new sustainability model which is expected to recommend increased funding for Citywide facilities maintenance.

Facilities



- As discussed during the Audit Committee meeting on January 7, 2013, the recommendations are currently being reviewed by the Chief Operating Officer
- If the Mayor's budget process allows, increases in budget may be included in the FY 2014 Proposed Budget.

Transportation & Storm Water



- TSW has placed 13.0 vacant positions on hold pending completion of meet and confer for the Street and Sidewalk managed competition.
- TSW has had difficulties when trying to fill vacancies due to expired lists of eligible candidates, as well as the length of time to generate certified lists.

Transportation & Storm Water



- TSW reports that the most significant service impacts related to a high vacancy rate include increased response times to traffic requests from the public – such as those related to street lights, pedestrian safety improvements, potholes and other traffic issues.
- This is largely caused when field employees work in Out of Class Assignments (OCA), creating a void in their permanent positions.
- Overtime has been used to reduce the impact to service levels.

The Hiring Process



- The filling of unclassified positions in the executive branch is overseen by the Human Resources Department.
- The filling of classified positions is guided by Civil Service Commission (CSC) rules and regulations and carried out by the Personnel Department.
- It is a stated policy of the CSC that equal opportunity be afforded to all applicants in the course of interviewing and selecting employees.

The Hiring Process



- San Diego's City Charter was amended in 1915 to provide for the CSC, which supervises the selection, promotion, and removal of all classified City employees.
- CSC's primary purpose is "to safeguard against a 'spoils' system, in which influence rather than merit determined who gained City employment."

The Hiring Process



- In general, the hiring process for classified positions can be divided into three segments:
 - Personnel Department recruitment and certification of eligible lists
 - Hiring department selection process (interview, reference check, job offer)
 - City background checks (fingerprinting and Department of Justice, FBI and local checks); and medical evaluations

The Hiring Process



- The Personnel Department reviews the hiring department's request for a certified list of eligible candidates to determine:
 - A vacancy indeed exists
 - There is a valid list of eligible candidates.
- If both conditions are true, the list will be certified and sent to the requesting department.
- However, if an eligible list is not available, then recruitment will be initiated by the Personnel Department.

Hiring Process Issues



- It is a balancing act between...
 - keeping an older “stale” list of eligible candidates available for departments to use in the hiring process...
 - and expiring a list, in which case a department with a vacancy will have to wait for a new list to be developed.
- Personnel has recently gone back to “predictive recruiting”, which ensures a new list is already being developed as the old list expires – for jobs which are in high demand by departments.

Hiring Process Issues



- If all classifications were open to continuous recruitment at all times, there would be an inundation of applications for which the Personnel Department does not have the capacity to handle.
- Additionally, the City would be accepting applications for vacancies that may not occur for months, which could be wasted work effort, as candidates would become unavailable upon securing jobs elsewhere.

Hiring Process Issues



- NEOGOV is the new recruitment/job application processing system implemented over the last year.
 - Online application submission has been required since November 2012.
 - Job postings appear on GovernmentJobs.com.
 - This system spares Personnel considerable data entry time with respect to submitted paper applications and materials.
 - However, there has also been an influx of applications received online.

Hiring Process Issues



- There have been several factors producing a greater workload for the Personnel Department in recent months.
 - After several years of budget reductions for departments, several departments were given additional funding to restore hours and services – for example Fire-Rescue, Library and Park & Recreation Departments.
 - Proposition B in June 2012 - a two month hiring freeze was implemented on August 1, 2012. Job postings needed to be prioritized.
 - Recruitments for new job classifications to accommodate the Fleet Maintenance Managed Competition bid.

The Hiring Process



- Some concerns have been expressed regarding the length of time for the hiring process.
- There is no standard timeframe for hiring process, but departments have reported it could take three to six months, and longer timeframes are possible.
- The Personnel Department has provided average timeframes for steps in the hiring process based on occurrences in calendar year 2012.
 - One-third of the average hiring timeframes was attributable to Personnel Department activities, 58% was attributable to hiring departments, and 9% was attributable the background/medical check process.

The Hiring Process



- Average calendar year 2012 timeframes:
 - 133 days for a hiring department to request a certification once a position became vacant.
 - 100 days for Personnel to certify a list when a recruitment was needed (including posting the job, reviewing applications and compiling the list).
 - 40 days for the departments' portion of the hiring process
 - from when the department received the certified list to the conditional job offer date.
 - 27 days from the time of the departments' conditional job offer to the start work date for the new employees (includes time for the background/medical checks and for the new employee to give notice to the former employer).

The Hiring Process



- In order to assist hiring departments to better plan for filling vacancies, Personnel is currently developing a report with an inventory of certified lists and their expiration dates.
- Personnel is also developing and will present training for departments on the recruitment process.

Personnel Department Resources



- Public safety had been a top priority with respect to hiring.
 - Over 50% of the General Fund Budget is comprised of public safety expenditures, and the City Council has continued to emphasize the importance of public safety.
- There are eight Personnel analysts (including one supervisor), four of which are devoted to safety, who review applications and reject or certify candidates.

Personnel Department Resources



- For the first half of FY 2013, the Personnel Department opened 112 non-safety recruitments and reviewed and evaluated over 13,300 applications related to those recruitments.
- Additionally, these analysts have to work with the departments to develop future recruitments, including the job postings, and to develop and administer written test materials and other screening tools.

Personnel Department Resources



- For the FY 2014 budget process, the Personnel Department plans to request two additional recruitment and examination positions and one liaison to assist departments with requests to fill vacancies.
- These issues can be considered in the upcoming budget process along with numerous competing priorities.



Questions?